

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 983 – SB 941**

March 16, 2017

**SUMMARY OF ORIGINAL BILL:** Increases, from \$500 to \$1,000, the penalty charged to persons injuring or destroying any portion of gas fixtures or property belonging to the gas company.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (004763):** Deletes all language after the enacting clause. Prohibits, unless otherwise required by federal law, the Nashville Electric Service (NES) from charging or revising any rate or fee, or providing rebates on any rate or fee for connection of electrical service, if the rate or fee discriminates between, or is based upon, the type of energy source chosen by the builder, occupant, or future occupant of the structure, and the direct or indirect effect of the rate or fee is the creation of a disincentive for the utilization or placement of facilities for the provision of a competing energy source.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Different rates are currently charged for electric and gas installation; with such rates being determined by the cost for infrastructure and engineering.
- NES purchases all energy it provides from the Tennessee Valley Authority (TVA), a federal entity which regulates the rates charged by NES for the energy provided.

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- Based on information provided by TVA, the proposed language would be preempted by TVA's regulations which are currently in place; as a result, there would be no significant impact to state or local government.
- However, in the event the federal regulations did not preempt the proposed language, customers of gas and electric service would be required to be charged the same fee and rate.
- Municipal electric systems must be self-sustaining and charge rates which cover costs associated with providing services; as a result, there would be no decrease in local government revenue because customer rates would be reassessed to cover all costs associated with providing services to customers.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumption for the bill as amended:

- The provisions of the bill apply solely to NES, a municipal electric system; therefore, no significant impact to commerce or jobs in Tennessee will occur.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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